

VZCZCXRO2985
PP RUEHPA
DE RUEHAB #0171/01 0721632
ZNY CCCCC ZZH
P 121632Z MAR 08
FM AMEMBASSY ABIDJAN
TO RUEHC/SECSTATE WASHDC PRIORITY 4082
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
INFO RUEHZK/ECOWAS COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 ABIDJAN 000171

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E.O. 12958: DECL: 03/05/2018
TAGS: [ECON](#) [EFIN](#) [EAID](#) [PREL](#) [IBRD](#) [IMF](#) [AFDB](#) [IV](#)
SUBJECT: AMBASSADOR MEETS AFDB PRESIDENT KABERUKA,
DISCUSSES HEADQUARTERS, ELECTIONS TIMETABLE

Classified By: EconChief EMassinga, Reasons 1.4 (b,d)

¶1. (C) Summary. Ambassador met with African Development Bank (AfDB) President Donald Kaberuka on February 28th during the latter's swing through Abidjan to sign a \$25 million post conflict grant and ahead of an AfDB delegation trip to Abidjan by Members of the Bank's Board of Directors. Kaberuka discussed the prospects of a move back to Abidjan from AfDB's temporary headquarters in Tunis, as well as political developments in Cote d'Ivoire. Kaberuka was keenly interested in the USG's analysis of the political situation and expressed concern about a repetition of Kenya-style elections-related violence. End Summary.

The AfDB Headquarters Decision

¶2. (C) Bank President Kaberuka confirmed that the bank was gathering data for a special meeting to be held in Mozambique which will address the permanent headquarters question. He called the decision a very delicate issue which had to be handled carefully but agreed that the "temporary" move to Tunis has lasted far beyond anyone's expectations. Ambassador reiterated the USG position, i.e. that the bank needs to return to sub-Saharan Africa as soon as possible, and that if a return to Abidjan is not viable the Bank should take steps to identify a new location. Kaberuka acknowledged the USG position but stressed the need to take into account the views of all of the Bank's stakeholders.

¶3. (C) The AfDB chief described three viewpoints on the Bank Board in the debate over the permanent headquarters question. One faction comprises a majority of African states and favors the status quo, i.e., deferring a decision until after elections. This group is lead by South Africa and the ECOWAS states. A second faction comprises most of the European members who believe that African views on what to do about the AfDB should be given primacy. This group is prepared to accept a delay in making a decision and extending the Bank's stay in Tunis if this is what a majority of Africans prefer. The third faction comprises the USG and others who believe that the current state of uncertainty needs to be resolved. Kaberuka said that an idea that is gaining currency is to extend the Bank's temporary lease in Tunis for two years and have members agree that a firm decision about the headquarters location will be taken at that time. He seemed to think that this view would prevail.

Elections

¶4. (C) Kaberuka and Ambassador also discussed the current situation in Cote d'Ivoire, with the AfDB Bank President soliciting Embassy views on the presidential election. Ambassador replied that the political will to hold elections seems to be sufficient; the political parties all agree that elections are needed to resolve the crisis, but critical issues remain unresolved. If elections are held this year they will likely be in the October timeframe. Kaberuka asked if technical problems associated with getting the identification card contractor SAGEM fully deployed would delay a vote, even if President Gbagbo wants elections by October. The Ambassador replied that it was possible that the technical requirements could take longer to put in place than the political leadership realizes.

¶5. (C) Ambassador noted that the pre-electoral period is critical. If a transparent electoral process can be established and is accepted by all parties, it will be as great a success as the elections themselves. Ambassador said she thought it was important for the international community during this period to support the independence of the Independent Electoral Commission (CEI). Kaberuka and the Ambassador agreed that should manipulation of the vote be widespread, the likelihood of violence would be greater. The "Forces Nouvelles" are reluctant to disarm precisely to retain the capacity to retaliate if they see massive electoral fraud. Raising the subject of threats to the elections, Kaberuka asked about the current role of militias, both in the west and in the Abidjan environs. Ambassador replied that this an area where clear information is lacking, particularly about the extent to which the Presidential camp is providing support for these groups.

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¶6. (C) Kaberuka noted that elections will be expensive, and asserted the costs for SAGEM's services alone will be over USD 100 million. He asked if the "donor community" would be willing to step up and help cover some of these costs. Ambassador replied that the donor community believes that the international community has already been generous, and that concerns related to transparency are real and genuine. The AfDB chief said he would be discussing this very point with President Gbagbo, Prime Minister Soro and his IMF and World Bank colleagues as they negotiate a package of external and internal resources to "make the numbers add up" and to ensure a transparent election.

¶7. (C) Comment. Kaberuka's preoccupation with the direction of the political dynamic in Cote d'Ivoire is clearly linked to the question of the Bank's permanent headquarters. He seemed to share the sentiments of the African faction he described as wanting to defer a decision and was acutely aware of the fact that any decision the bank takes will have political ramifications in Cote d'Ivoire. Post will report septel on the March 10-11 visit to Abidjan of AfDB Board Members. End comment.
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